GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3587
ANSWERED ON:27.04.2007
INVESTMENT BY INDIANS ABROAD
Singh Kunwar Rewati Raman

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has allowed that any Indian resident can invest upto $ 50,000 a year abroad; and

(b) if so, the details of trade areas where such investment is permissible?

Answer

SHRIPAWAN KUMAR B ANSAL - MINISTER OF STATE FOR FINANCE

(a) & (b)Yes, Sir.

Under the Liberalised Remittance Scheme (LRS), resident individuals may remit upto US $ 50,000 per financial year for any permitted current or capital account transaction or a combination of both subject to specified terms and conditions. Under this facility, resident individuals will be free to acquire and hold immovable property or shares or any other asset outside India without prior approval of the Reserve Bank of India. Note : The Credit Policy announced by the Governor, Reserve Bank of India on 24.04.2007 proposes to enhance this limit to US $ 1,00,000/-.